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# Why HR matters

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# Why HR matters

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*Help your employees plan their career in order to keep them in your organisation*

According to a 2013 Gallup poll, only 13 percent of employees worldwide are engaged in their work. East Asian countries fared particularly badly, where only six percent of employees are engaged. Southeast Asia came in at 12 percent, which is just below the global average.

“The more functional your role seems, and the less you think you’re contributing to the organisation, the more likely you are to be disengaged,” explains **Mike Barclay**, CEO of Sentosa Development Corporation (SDC) in Singapore. To keep employees engaged, SDC “spends time thinking about how to inject purpose into everything we do”.


## Keeping employees happy

Barclay was part of the recent panel discussion *“Reigniting the Passion in Your People and Business – Why HR Matters”* organised by Singapore Management University’s Centre for Professional Studies. When asked about specific measures to keep employees engaged, Barclay mentioned something that an industry peer practices.

“We picked this up from Ritz-Carlton: If a staff member’s early experience in the organisation is positive, they are twice as likely to stay five years or more at an organisation. We thought very hard about how to give someone a good introduction to the organisation. We do this by giving airtime to the CEO and senior executives, and keep re-engaging them in the first year. If you do that five or six times in the first year, they will be more likely to stay.”

Even if a company manages to keep an employee engaged during the first year, there is no guarantee they will stay so further down the line. Another panelist, Shell International Eastern Trading Company’s president, **Philip Choi**, highlighted the two reasons why employees at his organisation quit: “One, a lack of career progression and two, money.”

“The thing that is peculiar to Singapore is money. I know that trouble is coming when someone gets married, they buy a condominium or a car, they will come for more money. If they can’t get what they want, they’ll go somewhere else. The quick gratification to meet immediate needs seems more important than a long-term objective of a career.”



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“If I had not worked for Shell, and they had not given me the opportunities to try different roles, I would have moved out of the company,” adds Choi, who had nine jobs in his initial 11 years at Shell.

“Instead, they accommodated me, and I stayed. As a young employee, it’s good to experience different roles within a company because it’s great for the individual. However, it comes at great cost to the company. It depends on the size and diversity of the company, and the willingness to let employees try different things.”

However, Choi also highlighted the need of companies in his industry – petrochemicals and shipping – for employees with in-depth understanding to generate value. He gave the example of Shell’s selection criteria for taking on a global role: to be proven in two locations over a period of 13 years. For younger employees who hold a job for two years on average before moving on, how does an organisation get around that problem?

“It’s not realistic to tell someone who has just joined a company that they need to stay for X number of years to get a full experience of the organisation,” Barclay says. “I think it’s about setting career paths. First of all, it’s about picking up talent early. We look at employees who have been with us for a year, and if we identify them as being high-potential, we’re prepared to consider them (for higher office). We’ll sit them down and say to them, ‘Where do you want to be in three to five years’ time? What is the coaching and training we can give you to get you there?’”

## The importance of career planning

Another panelist, **Neo Tiam Boon**, CEO of construction and property company TA Corporation, points out the difficulty of doing such career planning.

“Many times, employees ask, ‘How far can I go? How fast can I get there?’ I turn around and ask, ‘Do you know how long it takes for us to groom you?’ We have a big pool of staff and it’s not possible to set a different career path for every employee. We hope to train them and promote them from within, although we also parachute employees into positions to fill the gaps within the company.”

To tackle the tendency of employees to move jobs in search for career enhancement, Sentosa’s Barclay has a creative solution to a question from an audience member, an employee of accounting and consultancy firm, Deloitte.

“SDC’s HR team develops affiliations with other organisations, and they put these employees with these companies and say, ‘I know you are outgrowing us at this stage. We think you have a long-term future with us, but we are going to make an arrangement with this company and second you there.’

“Imagine the Big 4 accountancy having such an arrangement where you can swap jobs this way – collectively you’d probably retain a lot more people within the accounting industry.”